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SENATE TAXATION

EXHIBIT NO. 5

DATE 2-7-07

BILL NO. SB-400

Testimony in Support of SB 400- Montana Earned Income Tax Credit

To: Senate Taxation Committee Members

I teach financial literacy classes to low and moderate income adults in Missoula, most of whom qualify for the Federal Earned Income Tax Credit. In the classes these parents talk about how they rely on this credit to be able to pay off high cost loans or get caught up on their heating bill.

I remember one single mother who specifically said she didn't know what she would do without the EITC each year, but often it still isn't enough for her to get caught up on medical bills and get winter coats.

All of these adults who work 1-3 jobs and still can't make ends meet pay state income tax. Some have asked, why don't we have a state earned income tax credit? I don't have an answer for them and I can attest to the difference it would make in so many Montanan's finances and futures. I have heard from their mouths how much a little can go a long way. A State EITC is only fair and would make a significant difference to the hundreds of families I see each year in my financial education classes.

I urge you to support SB 400.

Lindsay Daehlin

2/7/07